

**CITY OF FRISCO
HOUSING REHABILITATION PROGRAM
CONTRACTOR POLICIES AND PROCEDURES**

The City of Frisco, Texas offers a Housing Rehabilitation Program, funded by Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD). The Housing Rehabilitation Program is administered by the Housing Department at 6101 Frisco Square Blvd., Frisco, Texas. All contractors participating in this program are expected to comply with these policies and procedures. Non-compliance may result in suspension from the program.

To be eligible to participate in projects funded with CDBG funds, a general contractor must satisfy the following requirements:

1. Must have been in business for at least one year as a general contractor in the City of Frisco or surrounding area.
2. Must submit a complete and acceptable contractor's application. (See attached)
3. Must have the financial ability to perform a project as evidenced by a letter of reference from a financial institution.
4. Must provide evidence of ability to obtain necessary insurance coverage.
5. If awarded the City of Frisco will be added to the insurance coverage.
6. Must have worker's compensation or sign a release of liability with the City.
7. If awarded, shall have submit a W-9.

For each project, a request for quote will be mailed or faxed, based on a work write-up prepared by the Housing Rehabilitation staff.

The Housing Rehabilitation Department will review these documents and verify that your company is not on the list of debarred contractors maintained by the Department of Housing and Urban Development. In addition, we will verify your insurance coverage and if your company is incorporated, we will verify with the State of Texas that your corporate charter is in good standing. Our office will request credit checks and verify all references to do a reasonable background check on the company and the owners. If all is in order, the Housing Rehabilitation Department will prepare contract documents to be executed by the homeowner and the contractor. However, work may not begin until a *Notice to Proceed* has been issued. Contractors must obtain all permits that are required to perform the work. In addition, all contractors and subcontractors must possess such licenses as are required by state and local authorities in order to perform such functions as are subject to licensing.

A copy of the General Specifications for the City of Frisco Housing Rehabilitation Program is available at the above listed address. Should you have any questions, please don't hesitate to call us at 972.292.5108. We look forward to working with you.

BID PROCESS

We will mail or fax the bid specifications for each job to all contractors on our list, and all bids will be returned to the Housing Rehabilitation Department, rather than the homeowner. A specific time for a mandatory walk-through of the house will be coordinated. Contractors will be given enough advance notice to make arrangements for all sub-contractors to attend the walk-through with them. Bids will be reviewed in the presence of the homeowner, when possible.

The homeowner will be required to select the contractor who submits the lowest and best reasonable bid. The low bidder may be rejected after the homeowner reviews references and finds negative information on the contractor. The Housing Rehabilitation Department staff must be able to verify the negative information for the low bidder to be rejected. Alternatively, the homeowner can select any contractor if they pay the difference between the selected contractor's bid and the low bid.

All bids must be line-item--each item of the Work Description will be itemized separately, and then totaled for the complete bid.

Contractors are limited to work on no more than three (3) jobs at any given time. Any contractor with three contracts under construction will not be contacted to bid on a project.

SECTION 3: ECONOMIC OPPORTUNITIES FOR LOW-INCOME FAMILIES

Contractors shall to the greatest extent feasible provide economic opportunities in the form of employment and/or training to qualified low- and very low-income persons residing in public housing developments, utilizing Housing Choice Vouchers or other low- and very low-income eligible persons residing in the City of Plano. The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of low- and very-low income residents and other eligible persons and business by contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City shall examine and consider a contractor's potential for success by providing employment and business opportunities to low- and very-low income eligible persons prior to acting on any eligible proposed contract award.

135.38 - Section 3 clause:

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

CONTRACTS

After a homeowner has been selected, the Housing Rehabilitation Department will complete a **Contract Award**. This award document will determine the length of the contract.

Contract documents will be signed in the Housing Rehabilitation Department by the homeowner, contractor, Housing Inspector and the Housing Coordinator. The contractor will be required to sign a **Construction Contract** and **Notice to Proceed**. These are legal documents that protect you and the homeowner. (All contracts are available for your review in the Housing office.) You will also be required to complete a **"Sub-Contractor listing"** **PRIOR** to the contract signing. All contractors are supplied with this form and must fax or hand-deliver the completed form to the Housing Rehab Contractor Policies and Procedures office no later than 5:00 p.m. the day before a closing is scheduled. This will provide our office with a full and complete listing of all persons or entities that will render services or supply materials in connection with the work, and save the contractor from having to remember to submit the form after the closing is complete. If a contractor does not submit the form before the closing we will cancel the closing until the form is received. It is required that the contractor will be ready to start work one week after the closing. Delays in starting after one week are grounds for choosing another contractor.

CONSTRUCTION & WARRANTY

Before work starts on a project that requires an inspection, as determined by the Work Description, a copy of the permit from Building Inspection must be submitted to this Department. If a copy of the permit is not received by the Housing Rehabilitation Department by the time work begins, as determined by the Notice to Proceed, the job will be stopped by the Rehabilitation Inspector until a copy of the permit is submitted.

The City of Frisco Building Inspection Department will inspect all items on the Work Description for compliance and completion. A copy of the Work Description must be provided for Building Inspection at the project site.

While work is in progress, the contractor must request that the Building Inspection Department make the required plumbing, electrical, mechanical, and final inspections. Other inspections will be performed by Housing Rehabilitation staff.

In some cases, electrical, plumbing, and HVAC work may not require a permit from Building Inspection. Even though a permit is not required, all such work must be completed by a licensed electrician, plumber, or HVAC contractor.

No deviations from the specifications will be allowed. For example: if the specifications state you must primer the exterior and then paint with semi-gloss and you do not primer before painting, the Housing Inspector will stop work and decide the appropriate course of action. You may be required to re-do the work, or you may be held financially

responsible for your deviation. Failure to do the work as specified may result in immediate suspension from the program.

CHANGE ORDERS

Any changes to the scope of work must be documented on a Housing Rehabilitation Change Order Form when dollars are involved, or if items are traded. Contractors must submit their request for a contract change in writing to the Housing Rehabilitation Department.

The homeowner, contractor, and Housing Rehabilitation Inspector will sign this document. **NO WORK OUTSIDE THE WORK DESCRIPTION WILL BEGIN BY A CONTRACTOR OR SUB-CONTRACTOR BEFORE A CHANGE ORDER IS PREPARED BY THE HOUSING REHABILITATION OFFICE AND ALL APPROPRIATE SIGNATURES ARE IN PLACE. THE CHANGE ORDER MUST BE RETURNED TO THE HOUSING OFFICE BEFORE THE WORK IS DONE SO THAT PAYMENT ARRANGEMENTS MAY BE MADE IN OUR ELECTRONIC SYSTEM.**

This is to your benefit so that the money will be in your payment account when you submit an invoice. Change Orders will not be paid when the invoice is submitted if the above mentioned procedure is not used. The City has no responsibility to pay for work that has not been approved on a change order.

Contractors who want to work outside of normal business hours must obtain the homeowner's permission.

WARRANTY

Contractors are required to warranty work to the property for a period of one (1) year. The recipient is responsible for approving and accepting the contractor's work. The City accepts no liability for the project. Any warranty of work performed is between the contractor and the owner; however the Housing Rehabilitation Department will intervene and take action to warranty requests only in situations that are not addressed in the City of Frisco Housing Rehabilitation Grievance Procedure.

Contractors are required to provide homeowners with all original paperwork related to the manufacturer's warranty on parts and new materials. The Housing Rehabilitation Department must receive a copy of all warranty information for the owners file.

One of the requirements of the program is that all sub-contractors must be paid by the contractor. Any contractor who fails to pay a sub-contractor will be suspended and removed from our contractor list for up to three (3) years.

PAYMENTS

Contractors will be limited to a total of six draws per job. Each draw will include 10% retainage which will be paid as the final draw.

When submitting an invoice to our Department for payment, the invoice must have a description of the items that have been completed. You will only be paid for items that have been completed. The invoice must be signed by the contractor, homeowner, and the Housing Rehabilitation Inspector, *prior to submission to our offices for payment*. The only person who may sign and submit invoices will be the contractor or officer of the corporation. If a contractor would like another representative of the company to handle his/her payments, the contractor must submit a request in writing to the Housing Rehabilitation Department. When you request a draw, any line items included should have passed inspection by Building Inspection prior to your request. If we do not have a record of the passed inspection, we will not be able to pay for that item.

PROCEDURE WHEN REQUESTING PAYMENT

In order to give the Housing Inspector adequate time to review his list of items completed, check inspections and contract percents, etc. you are required to fax a copy of your invoice to the Housing office by the close of business on Wednesday.

The inspector will review the invoice for compliance with policy and to check that items being billed are completed and have passed Building Inspection. The copy of the invoice faxed to our office does not require homeowner signatures. (You have time on Thursday and Friday to obtain the signatures of the property owners.)

After you have the appropriate signatures on the **original invoice**, bring the invoice to the Housing Department for the inspector's signature and approval on Monday before 10:00 am. If there is a problem with your request, he will discuss it with you in the office.

The Partial Payment or Final Payment forms should already be prepared for your signature. The deadline for submission of your original invoice is 10:00AM on Monday.

The invoices are then sent to Budget and Accounting. The City of Frisco operates on a net 30 basis.

PROJECT COMPLETION PROCEDURES

At the time of job completion, contractors must furnish the homeowner with a one-year written warranty on workmanship and materials. Contractors will be paid directly for 90% of the total contract price, the remaining 10% to be withheld for 30 days if applicable upon submission of the following:

1. Copies of all manufacturers' warranties for materials and parts used on project, including, but not limited to, appliances, roofs, foundation repairs, and HVAC.
2. Signed Final Owner's Acceptance
3. Completed Final Inspection Report from Building Inspection
4. Final Housing Rehabilitation Inspection Report

5. Final invoice and completed Lien Waivers from all parties involved in the project.

Please be aware that the 10% retainage includes 10% of the amount of each change order. For example, if the original contract is for \$10,000, the retainage is \$1,000. If a change order increases the contract to \$12,000, the retainage becomes \$1,200.

CONTRACTOR DEFAULT

In the case where a contractor has been terminated from a job or has quit the job, the City may deduct from the contractor's final pay the amount required to complete the project per the contract Work Description or a revised Work Description. Contractors may be charged for any additional costs above the contract amount, which are necessary to complete the job.

SUSPENSIONS

Contractors may be suspended from the program for up to three years. The Housing Trust Fund Board will hear any appeal of a suspension, and their decision shall be final.

The causes for which a contractor may be suspended are as follows:

1. Two failures to complete a job during any 12-month period.
2. Failure to pay sub-contractors.
3. Failure to make a reasonable effort to honor warranties.
4. Consistent failure to complete work within the time allotted by the contract.
5. Consistently poor workmanship.
6. Failure to renew insurance while under contract.
7. Consistent failure to comply with Housing Rehabilitation policies.
8. Possession or use of illegal or controlled drugs and/or alcohol on the job by the contractor, contractor's employees, or any subcontractors.
9. Falsifying any information provided on or with the Contractor Application.

POLICY WAIVERS

Waivers of any provisions of this policy may be approved by the Housing Coordinator for good cause, and shall be documented in writing.

CITY OF FRISCO CONTRACTOR INSURANCE REQUIREMENTS

Contractors providing good, materials and services for the City of Frisco shall, during the term of the contract with the City or any renewal or extension thereof, provide and maintain the types and amounts of insurance set forth herein. All insurance and certificate(s) of insurance shall contain the following provisions:

1. Name the City, its officers, agents, representatives, and employees as additional insureds as to all applicable coverage with the exception of workers compensation insurance.
2. Provide for at least thirty (30) days prior written notice to the City for cancellation, non-renewal, or material change of the insurance.

3. Provide for a waiver of subrogation against the City for injuries, including death, property damage, or any other loss to the extent the same is covered by the proceeds of insurance.

Insurance Company Qualification: All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service.

Certificate of insurance: A certificate of insurance evidencing the required insurance shall be submitted with the contractor's bid or response to proposal. If the contract is renewed or extended by the City a certificate of insurance shall also be provided to the City prior to the date the contract is renewed or extended.

<u>Type of Contract</u>	<u>Type and amount of Insurance</u>
Special Events	<p>General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including coverage for advertising injury and products coverage</p> <p>Statutory Workers compensation insurance as required by state law</p> <p>(If the contractor serves alcoholic beverages) Liquor Liability with a minimum of \$1 Million Dollars per Occurrence and \$2 Million Aggregate.</p> <p>(If high risk or dangerous activities) Umbrella Coverage or Liability Excess Coverage of \$ 2 Million Dollars</p> <p>(If automobile or limousine service is involved even if volunteers) Automobile Liability with a minimum of \$1 Million Dollars combined single limit.</p>
Public Works and Construction	<p>General Liability insurance for personal injury (including death) and property damage with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate, including advertising injury, products coverage and</p>

(XCU) Explosion, collapse and underground (If high risk or dangerous activities) Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars Statutory Workers compensation insurance as required by state law

Professional Services

Professional Liability Insurance with a minimum of \$1 Million Dollars per occurrence and \$2 Million Dollars aggregate.

(If size or scope of project warrant)
Umbrella Coverage or Excess Liability Coverage of \$2 Million Dollars

Attachment A

**CITY OF FRISCO
HOUSING REHABILITATION PROGRAM
CONTRACTOR APPLICATION**

If you need more room to answer questions, please attach additional sheets

Complete Name of Company: _____

Company Owner (s): _____

Complete Address: _____

Home Address: _____

Telephone Number: _____ Fax Number: _____

Email: _____

Federal ID (Tax) Number: _____

Social Security Number (If Sole Proprietorship): _____

Social Security Number (If Partnership): _____

How long has your company been doing business under this name? _____

If the company name has changed, what was the original name (s) _____

(Company Name) (Address) (Dates)

Is your company a: () Sole Proprietorship

() Partnership

() Corporation

If your company is a corporation, corporate charter number _____

If not incorporated in Texas, where _____

Attach a copy of Certificate of Incorporation and Articles of Incorporation

If your company is a partnership, please list the names and addresses of the partners below. If your company is a corporation, list the officers of the corporation below, along with their titles and addresses.

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

Name: _____ Title: _____

Address: _____

What is the company's average monthly earning \$ _____

Have you ever failed to complete any work or defaulted on a contract awarded to you?

If so, when, where, and why? _____

References:

Bank – What is the amount of your line of credit through your bank? _____

Name	Address	Account No.	Approx. Balance
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Material Suppliers

Name	Address	Type of Material	Charge Account
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Sub-Contractors

Name	Address	Phone	Type Work
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Work in Progress:

List the names, addresses, phone numbers and dollar value of three of your jobs in progress, or jobs finished within the last six months.

Name	Address	Phone	Job Value
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Has your company ever been a party to or involved in any action related to discrimination based upon race, color, nationality, sex, religion, handicap, familial status, or national origin? If so, give full details. Yes _____ No _____

Has the company ever caused a lien for material or mechanical work default payment to be placed against a homeowner? If so, when, where and why? Yes _____ No _____

Have you ever filed bankruptcy? _____

Name (s) authorized to sign contracts, bids, contract changes and endorse checks.

Name

Title

Personal References

Name

Address

Phone

I/we hereby certify that the above statements are true and complete to the best of my knowledge. I/we further understand that the City of Frisco Housing Rehabilitation office will keep all the information confidential and use such information only to verify the qualification of the undersigned as a home improvement contractor. I/we authorize the City of Frisco Housing Rehabilitation office to obtain a written credit report on the individual, partnership, or corporation that is applying. The undersigned hereby authorizes and requests any person, firm or corporation to furnish any information requested by the City of Frisco Housing Rehabilitation in verification of the recitals comprising this Statement of Qualifications dated _____.

By signing and returning this form to the Housing Rehabilitation office, I acknowledge that my company has received, reviewed, and agrees to abide by the Housing Rehabilitation policies and procedures. I also agree that in the event I fail to follow any existing or future guidelines set forth by the City of Frisco Housing Rehabilitation office my company may be suspended from the program.

Signature

Title

Date

Signature

Title

Date

Subscribed and sworn to me this _____ day of _____, _____

Notary Public in and for _____ County, Texas
My commission expires _____

Attachment B

**CITY OF FRISCO
HOUSING REHABILITATION PROGRAM
CONTRACTOR'S STATEMENT CONCERNING
NON-USE OF LEAD-BASED PAINT**

I hereby certify that _____
(Name of Company)

will not use lead-based paint in any rehabilitation work performed for the City of Frisco
Housing Rehabilitation Program.

Signature of Contractor

Company Name

Address

Date